



Fiscal Note Request, HB0452, As Introduced

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(continued)

3. For purposes of this fiscal note, no change in the pattern of retirements by age was assumed. Retirement, in this sense, means exit from the workforce, not entry into the DROP. Until reliable experience is available it is not clear that retirement rates would significantly change.
4. Fifty percent of the elections would be for the maximum period, and 50% would be for three years.
5. DROP accounts will be credited with interest at the same rate as the interest that is earned on the entire investment portfolio of the retirement system.
6. If all the above assumptions are met, this proposal will most likely be actuarially cost neutral, however, there will be administrative costs.
7. Administration of the DROP will require enhancements to the mainframe database system and the equivalent of 1.00 FTE, grade 11. The FTE will be needed for accounting, education and benefit counseling.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
FTE	1.00	1.00
<u>Expenditures:</u>		
Personal Services	27,367	27,367
Equipment	<u>42,500</u>	<u>0</u>
TOTAL	\$69,867	\$27,367
<u>Funding:</u>		
Other (Municipal Police Retirement Trust Fund)	\$69,867	\$27,367
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
Other (Municipal Police Retirement Trust Fund)	(\$69,867)	(\$27,367)